

Message Text

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ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 TRSE-00

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FM USMISSION OECD PARIS

TO SECSTATE WASH DC 0488

INFO AMEMBASSY LONDON

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USLO PEKING

C O N F I D E N T I A L OECD PARIS 03596

EXCON

E.O. 11652: XGDS1

TAGS: ESTC, COCOM, CH, JA, UK

SUBJECT: UKSALE OF SPEY ENGINES TO PRC

REF: (A) STATE 299342, (B) COCOM DOC. (73) 1295

1. IN PRIVATE CONVERSATION WITH USDEL FEBRUARY 4, JAPANESE DEL IKEDA EXPRESSED HIS GOVERNMENT'S DEEP CONCERN OVER IMPLICATIONS OF THIS UK ACTION IN BYPASSING COCOM, AND OF LACK OF ANY US RESPONSE IN THAT BODY. HE FELT THAT AN UNFORTUNATE PRECEDENT HAD BEEN SET. IT WOULD BE HARDER, HE SAID, FOR HIS GOVERNMENT IN FUTURE TO DENY EXPORTERS THE POSSIBILITY OF SHIPPING EMBARGOED GOODS TO COMMUNIST CHINA ONCE IT WAS KNOWN THAT A MAJOR POWER HAD SUCCEEDED IN MAKING A SALE OF SUCH IMPORTANCE DESPITE COCOM DISAPPROVAL.

2. HE ALSO FORESAW THE DAY WHEN THE PRC AND THE USSR MIGHT NO LONGER BE ENEMIES, BUT BECOME FRIENDS AGAIN AND ONCE MORE FORM A UNITED AND POWERFUL BLOC. HOW WOULD THIS PRECEDENT BE SEEN IN SUCH A SETTING? HE ASKED.

3. USDEL MADE OBVIOUS COMMENT THAT THIS TRANSACTION IN
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NO SENSE CREATED A PRECEDENT BINDING ON US AND OTHER

COCOM MEMBERS WITH RESPECT TO FUTURE REQUESTS FOR EXCEPTIONS TO THE EMBARGO. HE SAID US HAD INDEED VIEWED BYPASSING OF COCOM WITH CONCERN BUT HAD DECIDED THAT RAISING THE MATTER THERE WOULD NOT BE A USEFUL STEP UNDER THE CIRCUMSTANCES. IKEDA SAID HE REALIZED THE SPEY SALE CREATED NO FORMAL PRECEDENT, BUT FELT THAT IT WAS BOUND NEVERTHELESS TO INFLUENCE THE BUSINESS COMMUNITY AND CREATE PRESSURES ON GOVERNMENTS.

4. IN COURSE OF THE CONVERSATION, IKEDA SAID THE BRITISH HAD TOLD THE JAPANESE EMBASSY IN LONDON THAT THE SECRETARY HAD DISCUSSED THE SPEY MATTER WITH FOREIGN SECRETARY CALLAGHAN.

5. USDEL WOULD APPRECIATE KNOWING WHETHER OR NOT THE SECRETARY AND MR. CALLAGHAN DID IN FACT DISCUSS IT AND, IF SO, WOULD APPRECIATE A SUMMARY OF WHAT WAS SAID.
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